APRIL 26, 1965

FORCES SHAPING WORLD TRADE IN FOOD AND FEED

INDIA'S FERTILIZER GOALS

PROMOTING SALES OF U.S. PRUNES ABROAD

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Unloading U.S. wheat at docks in Alexandria, United Arab Republic. Article on opposite page measures shifts in world agricultural trade in terms of what has happened to grains.

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Forces That Are Shaping World Trade in Food and Feed

Population and income growth, pushing world demand for food steadily up since World War II, will become even stronger in the years ahead.

By LESTER R. BROWN
Staff Economists Group, USDA

Pronounced changes have occurred in world patterns of trade in food and feed over the past quarter century. These changes are perhaps best illustrated by shifts in the pattern of world grain trade, for grains provide a major share of man's food energy supply and occupy more than 70 percent of the world's harvested cropland.

From the beginning of modern trade until about 1940 the regional pattern of world grain trade changed little. Western Europe was the big importing region, with an average of 24 million tons a year. Other regions were net exporters. In the late 1930's, North America exported 5 million tons of grain per year, Latin America 9 million, and Eastern Europe (including the Soviet Union) 5 million. The other three regions—Asia, Africa, and Oceania (Australia and New Zealand)—exported smaller quantities. The situation, then, was this: one importing region and six exporting regions.

How the grain trade pattern has shifted

Since World War II, however, the only region to maintain essentially its prewar position has been the importing one, Western Europe. Its net grain imports, averaging 23 million tons in recent years, have changed little. But now Asia and Africa have joined it as permanent net importing regions; Eastern Europe and Latin America appear to be losing their surplus-producing capacity, both having been net importers in some recent years; North America and Oceania are the only consistent net exporters.

Dramatic shifts have occurred also in the trade flow between the less developed world—Asia, Africa, and Latin America—and the developed world—North America, Western and Eastern Europe, and Oceania.

Before World War II, the less developed world exported to the developed world 11 million tons of grain per year. After the war, this flow was reversed. The developed world shipped the less developed world 4 million tons annually in 1948-52; 15 million in 1957-60; 21 million in 1961; and from preliminary estimates—25 million in 1964. According to this indicator, the less developed world is losing the capacity to feed itself. A growing share of each year's population increment is being sustained by food shipments from the developed world, primarily Food for Peace shipments from North America.

Forces causing the trade shift

This striking alteration in the world's grain trade pattern has been brought about by two important forces, both working to create additional demand for food. One, of course, is population growth. The other is rising per capita income. These two forces are sharply different: the first is demographic, the second economic. Both are increasing faster than ever before in history.

Until the outbreak of World War II, world population had never increased more than 1 percent per year. Since then the rate of increase has never increased more than 1 percent per year. Since then the rate of increase has accelerated sharply, and today it is 2 percent per year. Even without any further gain in per capita incomes, world food needs will rise annually by that same 2 percent.

Population growth rates vary widely between countries. The populations of several countries in both Eastern Europe and Western Europe are growing at less than 1 percent per year. At this rate, these countries will require the better part of a century to double their populations. But in some less developed countries, such as Brazil, populations are expanding at more than 3 percent per year and will double within a generation. In these countries, where per capita incomes are rising slowly if at all, population growth is the major demand-increasing force.

West German housewives shopping for meat. Livestock products are plentiful where not all grain is needed for direct human use.

Per capita income levels also vary widely between countries. In subsistence-type economies such as India or Pakistan, they may average only $60 or $70 per year. In the more advanced economies of the industrial West, they may range up to $3,000. There are wide variations, too, in the rates at which per capita income is increasing. For several Western European countries and Japan, the combination of high rates of overall economic growth and low rates of population growth over the past several years has brought extraordinarily rapid gains in per capita income. In Japan, the country with the highest rate of economic growth, income per person is doubling each decade.

How food needs change with income

As incomes rise, consumption patterns undergo certain rather predictable changes. Diets at the lower income levels consist largely of starchy foods, and consumption of livestock products and other costly foodstuffs is low, often negligible. Thus in Asia, about 75 percent of total caloric intake is provided by grain products and by roots and tubers. Livestock products supply only 5 percent. In North America, where incomes are comparatively high, starchy foods account for less than 25 percent of total caloric intake; livestock products, for more than 30 percent. The consumption of fats and oils also rises steadily with income levels.

One way of determining the additional agricultural resources made necessary by rising incomes and the additional demand that results is to measure the quality of the diet in terms of grain.

About 1 ton of grain per person per year is used in maintaining the high-quality, high-protein diets of North America; but per capita grain consumption in the less developed regions such as Asia is only 450 pounds per year. The difference between these two economies is that one can afford to convert large quantities of grain into meat, milk, and eggs; the other requires nearly all available grain for direct human consumption. With development, we can expect per capita grain requirements in the low income areas to rise gradually from the current 450 pounds to much higher levels, moving toward North American levels as incomes permit.

Food increasingly short in developing regions

The net shift of 36 million tons in the grain trade of the less developed world (from average exports of 11 million tons to imports of 25 million) approximates the total grain production of Canada and Australia combined.

This vast and rapidly growing import deficit is readily explained. In traditional societies, food output is expanded along with population by simply expanding the area under cultivation. But relatively little new land can now be readily brought under cultivation in many densely populated countries. Additional food output must come largely from raising yield per acre. Herein lies the problem, for underdeveloped economies, almost by definition, are not prepared to do this. Raising yields is far more difficult than merely moving to new land.

Historical evidence indicates that there are certain preconditions for a steady rise in yield per acre. One may be a reasonably high level of literacy. It is difficult to imagine a largely illiterate society, such as that in India or Indonesia, generating and sustaining a trend of rapidly rising yields such as those currently existing in the United States, Japan, or some of the countries in Western Europe. In many countries, the level of literacy, though rising, is still quite low—especially in rural areas. Only a small fraction of the rural population is literate in such countries as India, Indonesia, Pakistan, and the United Arab Republic (Egypt).

Capital needed to raise yields

There may also be a minimum level of per capita income, below which farm production is too close to the subsistence level to permit the purchase of the pesticides, fertilizer, and other production aids needed to raise per acre yields. Commercialization of agriculture may have to develop to a certain point before the farmer can sell enough farm products to finance these capital inputs. Also, the nonagricultural sector of the economy must reach a certain size and level of development and sophistication before it can provide both the capital inputs and the services needed in agriculture to increase yields.

Thus, rapid population growth in the less developed regions, pushing up food demand at a time when little new land is left for expanding output, is forcing the process of economic development—which required centuries in the Western World—to be telescoped into a few decades. It does not seem likely that the disturbing tendency for food output per person to trend downward in several of the major developing countries can easily be reversed.

Illustrating the problem

One effective way to grasp the magnitude of the problem is to suppose a switch between the projected population increases of the developed and the less developed regions.

The 1960 population of the developed world was under 900 million; that of the less developed world, over 2 billion. The projected increase between 1960 and 2000 for the developed world, according to the United Nations medium level projections, is 400 million, and that for the less developed world, nearly 3 billion.

Now let us exchange these two population growth projections. The developed world would then have to absorb 3 billion more people by the year 2000, and the less developed world, only 400 million. The United States, with about one-fourth of the agricultural land resources of the developed world, could expect to accommodate one-fourth of the 3-billion total, or 750 million. This amounts to an addition of about 190 million people per decade—roughly the equivalent of our entire current population.

What would happen to food consumption levels under these circumstances? The cropland resources of the developed and less developed worlds are not too different. But the developed world is much better prepared to absorb population increases of this magnitude than is the less developed world; it has the capital, the agricultural and industrial technology, and the high levels of literacy and education. And it has a much more favorable land-man ratio to begin with.

Unfortunately, the vast increases in population will occur in the regions least prepared to feed them. Imbalances between food needs and food production there are certain to grow, and these imbalances will be an important force acting to expand world trade in food and feed.

This article and another to follow have been adapted from a paper entitled "The Impact of Future World Supply and Demand Prospects on U.S. Agricultural Trade," prepared for the Fifth Annual Farm Policy Review Conference, Washington, D. C., January 25-27, 1965.

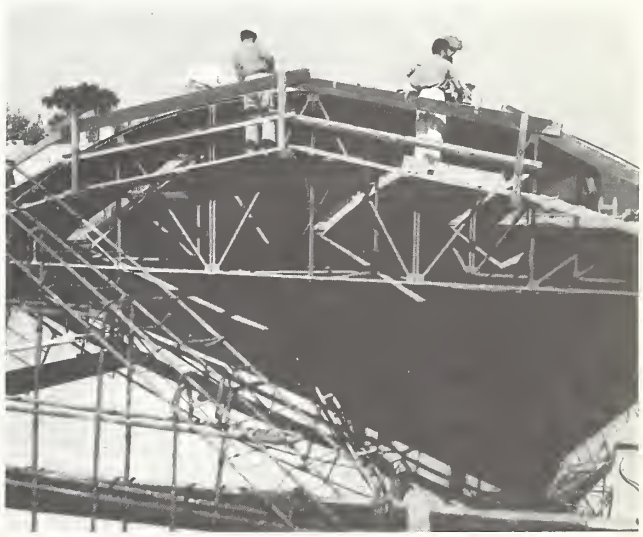
Argentina's Way of Storing Grain—Underground

In the big grain-producing countries of the world tall storage silos and warehouses dominate the landscape. Argentina has such facilities too, a good share of the the country's grain is stored underground in great tunnel-like silos.

These underground silos originated during World War II when the disruption of grain exports created a need for extra storage space. Today underground silos are found throughout the Pampus zone, and at all the ports where they have a total storage capacity of 1.5 million tons.

Silos are approximately 400 feet long, 40 feet wide, and 15 feet deep. They are divided into five compartments with a capacity of 2,000 tons each, and when they are filled the grain is level with the ground. The outside wall is a 20-inch layer of concrete, and is lined with brick, tar paper, and stucco. If properly constructed, the silo has a life of 50 to 60 years, and it is estimated that grain can be stored in them for 15 to 20 years, provided it has less than 13-percent moisture content.

Grain is discharged directly from canvas-lined truck into underground silo. Normally closed boxcar trucks are used.



Above left, concrete shell ready for lining with brick, tar paper, and stucco. At right, the roofing goes on; and below, underground silos finished and in use at San Lorenzo.

India Sets Up Higher Goals for Fertilizer Use

By HORACE J. DAVIS
Assistant Administrator
Foreign Agricultural Service

The sprawling nation of India, faced with a food problem of staggering proportions, is desperately seeking ways to grow more food by developing the potential of its soil.

India is not alone in this quest. Only in North America, Western Europe, Japan, and Oceania have farmers come anywhere near getting from their land what it is capable of producing. Farmers in all other parts of the world, including India, must make great strides, and soon, if the fast-increasing populations of their countries are to be fed.

In parts of India today staple foods are rationed, in spite of massive food aid from the United States. Even with shipments under the Food for Peace Program reaching nearly 600,000 tons a month, supplies are still short, and this has led to hoarding and inflation.

These critical shortages of basic foods have again brought agriculture to the forefront in the drafting of India's Fourth Five-Year Plan, which begins next year. Current planning calls for a doubling of spending on farm programs during the 5-year period, with emphasis on local projects that can be adopted on a large scale.

Fertilizer demand great

Of the many approaches to coaxing more food from the land, increased use of fertilizers offers one of the greatest possibilities, and Indian planners are counting heavily on it to help achieve the badly needed increase in the production of basic foods. An indication of the importance placed on fertilizer use was given by the Minister of Agriculture for India, Shri C. Subramaniam, at a conference in Bombay when he said, "I am not one of those who is complacent about growth of fertilizer consumption in our country from 90,000 tons of nitrogen per annum to nearly half a million tons now. Impressive as these figures may be, they are insignificant compared to our overall potential demand, considering the area and population."

The significance of fertilizer in India's plans for increased farm output is further reflected in planning commission drafts which call for production of 2 million tons of basic nitrogen fertilizer annually by 1971, about four times current output.

Good results already obtained

India has a considerable backlog of fertilizer experience behind these current expansion plans. A concentrated effort to increase fertilizer use by Indian farmers began with the inception of the Indo-American Fertilizer Program in 1951. This coordinated program of research, demonstrations on cultivator fields, and soil testing brought significant increases in fertilizer use. During the first 10 years of the program, nitrogen use increased from 58,800 to 369,700 long tons, phosphoric acid from 6,900 to 72,000 long tons, and potash from 6,500 to 37,500 long tons.

Activities under the program have included more than a million fertilizer demonstrations, 5,300 cultivation trials in 22 centers, and more than 100,000 soil tests in 1 year.

A primary objective of the fertilizer program was to raise output of food grains. Indian agricultural statistics point up its success: Food grain output rose from about 55 million tons in 1951-52 to nearly 81 million in 1961-62.

Not all this increase, however, can be attributed to fertilizer. Additional land was brought into production during this period, and other improved farming practices were adopted by farmers. On the other hand, it is estimated that less than 10 percent of India's farmers use fertilizer. Results could be magnified greatly if fertilizer use were to fan out among the country's 131 million farm workers who till 325 million acres of land.

Fertilizer needs projected

Even with increased fertilizer use, crop yields in India today are much below the world average, and per capita food production in recent years has been declining. A recent Agency for International Development report to the Indian Government, "Fertilizer Proposal for Increased Agricultural Production," projected fertilizer needs in 1971 at eight times the 1963 levels and for 1976 at 16 times higher. Food grain production should be increased by about 75 percent during this period.

Will India be able to meet these goals?

Not unless it expands fertilizer production and use much faster in the future than it has in the past. But India might do it, especially if plans of a group of foreign companies go through. These companies are making a study of the country's present fertilizer industry and soon will negotiate with India for construction of several fertilizer plants which could turn out a million tons of nitrogen a year. This would more than double present nitrogen output.

Equally as important as increasing fertilizer production is the problem of teaching farmers to use it properly on their crops. In a country like India, where farmers are hard pressed to meet immediate financial needs, it is difficult to convince them of the wisdom of investing in something that will produce no return until the end of the crop year.

Lack of communication a barrier

Nor is fertilizer alone the complete answer. There are many other factors of production—insect control, drought, floods—plus the nature of Indian farmers themselves, which must be taken into consideration.

For example, the problem of communicating with farmers in India is more difficult than in most other countries. A vast majority of them do not read, neither do they have television sets, radios, or telephones. This problem is further complicated by the fact that there are several hundred languages and dialects spoken in India.

It is an accepted fact that "selling" improved farming practices involves communicating with farmers. Given the language situation, the limited communication facilities, the large number of individual farms (more than 60 million), and the task of increasing agricultural output becomes almost formidable. To accomplish it will take a massive effort over a long period, and the Indian leaders know this only too well. That is why the fertilizer program has been given priority, and the cooperation of other countries and international agencies is so eagerly sought.

For 4 years, 1960-64, Dr. Davis was U.S. Agricultural Attaché in New Delhi. He now administers the Attaché Service.

1965 Prune Promotion Emphasizes Advertising

California prune group and FAS step up promotion to increase $20-million U.S. prune exports and stimulate use in major U.S. markets in Western Europe.

U.S. prune exhibit, London Ideal Home Show.

With U.S. prune prices highly competitive this year, the U.S. prune industry is calling for stepped-up advertising in Western Europe to capitalize on the opportunity to stimulate generally lagging consumption.

U.S. prune exports may reach 45,000 short tons in 1964-65 for a 7-year high, although the export value—again because of price—may not increase markedly from the previous year's $20 million.

Working through its advisory committees of distributors and importers in numerous overseas countries, the California Prune Advisory Board in cooperation with FAS is utilizing direct advertising, this year as never before, to reach millions of consumers with a minimum of expenditures.

Four-country emphasis

The four countries where advertising is heaviest—the United Kingdom, Italy, Finland, and Denmark—are receiving over 80 percent of the $283,000 budgeted for prune market development in 1964-65. Advertising is also being stressed in Switzerland. The remainder of the promotion budget has been allocated for market surveys, exhibits and demonstrations, and sample distribution in Norway, the Netherlands, Sweden, West Germany, and Japan.

The advertising varies by country, as market conditions dictate, in intensity and the type of media.

In the United Kingdom—the U.S. prune industry's No. 1 market—CPAB carries on even more intensive promotion than it does in the United States in an effort to stem the tide of dwindling per capita consumption. Last year's sales totaled 6,345 tons, 1,400 below the 1962-63 level.

With emphasis on new uses for prunes in food recipes, advertising campaigns—concentrated during fall and winter holiday seasons—are carried on in a wide range of media, including newspapers, women's magazines, and trade journals.

Advertising in Italy, fastest growing market for U.S. prunes in Western Europe, is exclusively in newspapers —105 insertions this year. Helped by the already favorable attitude toward prunes and the Italian preference for home cooked foods, U. S. prune sales to Italy in 1963-64 hit 5,563 tons, some for re-export to other European countries, compared with 3,706 during the previous year.

Denmark and Finland—each importing 2,200-2,300 tons in 1963-64—have comparable promotion budgets, but the advertising media differ widely in each country.

The advertising campaign in Denmark, at a highpoint during the January-April period when competition from fresh fruits is least severe, focuses on consumer magazines, while that in Finland stresses advertising on television, which—relatively new to the Finns—is very popular. The country has some half million TV sets (one for every eight persons).

In Switzerland, the advertising budget for 1964-65 was increased because the trade in that country felt that past expenditures had not been large enough to have much impact on U. S. exports. Swiss newspaper advertising promotes the idea that—contrary to the prevailing attitude in Switzerland—prunes are not to be regarded as a depression food.

Among the countries where the emphasis is on consumer samplings, the Netherlands program features door-to-door distribution of 8-ounce prune packages to 100,000 households in selected cities, supported by ads in magazines and in-store promotion.

Poll of Scandinavian housewives

In the years ahead, advertising will be given a greater role in prune promotion in West Germany, Norway, and Sweden, where market investigations and analyses are currently underway. In the latter two countries, thousands of housewives are being interviewed to determine the preferred uses of prunes.

Through these market development

Variety of Factors Seen Affecting U.S. Feed Grain Exports

Summary of speech by Clarence D. Palmby, Executive Vice President of the U.S. Feed Grains Council, before the 15th annual conference of the National Institute of Animal Agriculture at Purdue University, recently.

There are a number of trends, government policies, and business transactions which have taken place in world agriculture in the last 20 years of significance to U.S. producers of feed grains.

Great Britain's broiler industry has become a sizable enterprise. The poultry industry, including layers, in that country utilizes about 4 million metric tons of manufactured feed annually. This trend is expected to continue.

Keep in mind that large quantities of the raw material are imported. This is meaningful and illustrates what, in my opinion, will in the long run happen in most every country of the world where true demand for poultry exists.

Feeding veal calves to heavier weights is increasing in Europe. For centuries veal has been a very staple part of the diet of Europeans. The price of veal is more than unrealistically high in most European countries at the present time, and the trend is underway to feed veal calves to heavier weights. There is money in feeding calves. There is every reason to believe vealers will continue to be fed to heavier weights and that the quality of the meat will likewise improve.

Last year Italy imported about $400 million of beef in one form or another. This was costly as far as Italy's trade balance is concerned. The Italian Government is keenly interested in a program aimed at making Italy more self-sufficient in animal proteins; consequently, that government as well as the Greek Government is subsidizing the feeding of calves to heavier weights.

Japanese people are becoming more and more interested in high-protein foods. Prior to the war, that country depended almost completely on rice and fish as the two staple foods in the diet. There is now, however, a marked increase in utilization of wheat, but not materially at the expense of rice.

Fish has become more dear and is definitely not as attractive to young people as are eggs, poultry meat, and pork. Egg consumption has increased dramatically in Japan. The trend will continue. Pork consumption has increased, but the per capita consumption is still unbelievably low.

Whether our country can continue to increase its exports of agricultural commodities or not is largely dependent upon the world's per capita consumption of high-protein foods. Generally, only those people with buying power can afford to increase their intake of these so-called protective foods. The industrial powers are experiencing unprecedented growth in gross national product and disposable personal income.

Agricultural price-fixing schemes in a number of countries which give birth to unreasonable variable import levies are chief among the problems facing U.S. grain exports. We in animal agriculture are particularly aware of price because we know the significance of price versus level of consumption of animal proteins.

On the brighter side, as buying power increases, the insatiable real-demand trend for animal proteins will continue to be felt.

Increased income also permits many more people to vacation in sunny climates. This is best illustrated by the flow of tourists from northern Europe to Spain, Greece, and Portugal. These warm, sunny, semi-arid countries have limited resources for the production of feedstuffs. Tourist spending, both residual and temporary, in the Mediterranean area is opening a whole new era and pattern of livestock and poultry production.

The large sale of slaughter hogs to the USSR in 1964 by West Germany and Denmark for delivery in 1965 was, in my opinion, the agricultural export story of 1964.

The late-1964 sale came at a time when hog slaughterings were very heavy in West Germany and Denmark. The huge sale (15,000 metric tons of pork by Denmark; 300,000 frozen hog sides by West Germany) helped stabilize prices as well as hog cycles in both countries. This resulted in a continued need for heavy imports of feedstuffs from the United States.

The hog sale also proves that even people who are generally dictated to are successful in having their wishes for meat reflected in the world market. It is also an indicator of things to come; people everywhere wish to enjoy the good life.

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activities, the California prune industry hopes to slow the downward trend in prune consumption in Western Europe, which usually accounts for 75 percent of the total exports of U.S. prunes. In the 1934-38 period, the European market took an average of 80,000 tons from the United States, compared with only 29,800 in 1963-64.

Meanwhile, prune production in the United States—as well as carryover stocks—has been increasing. The 1964 prune pack of 179,300 tons, for example, was a 8-year high and 46,300 tons greater than 1963's. The 1965 pack may be as large or larger than that of last year.

It is felt the prime reason for lower consumption in both the domestic and foreign markets is the competition prunes are facing from convenience foods. To elevate prunes to the convenience food status, the California industry has been working to develop an economical process for de-pitting prunes. Widespread adoption of such a process depends on lowering now prohibitive production costs.

Competition from other exporters

Fortunately for California growers, there are but a handful of foreign suppliers vying for West Europe's big prune market, among which Yugoslavia is the largest. Its exports this year are expected to approximate the 1963-64 level of around 23,000 tons. But with most Yugoslav prune traditionally going to Soviet Bloc countries (78 percent in 1963-64), this leaves Western Europe relatively open to U.S. exporters. In addition, consumers there prefer California prunes for their large size.

Prunes from Chile and Argentina—which export a combined 11,000 tons—compete more favorably with U.S. prunes in the quality market, although neither production nor exports of the two countries have been increasing.

U.S. Poultry Official Sees 50% Jump by 1970 In U.S. Poultry Exports, Urges More Promotion

There is every reason for optimism about the future of U.S. poultry exports despite tariff and non-tariff devices which seriously curtail our markets in such countries as West Germany and the Netherlands. If we use the base period of 1960, it appears quite possible to increase our U.S. poultry exports some 90 million pounds by 1970, so as to achieve a 50-percent growth over 1960 poultry export levels.

The United States is by far the world's leading exporter of poultry. Last year the U.S. poultry industry exported 231.2 million pounds of consumer poultry products valued at $61.3 million. This is a fivefold increase in the past 10 years.

Obviously, as businessmen you are interested in how you can participate in this expanded export growth and what steps are necessary to become actively involved.

It is most important for you as an exporter to determine in advance what the physical limitations may be in the distribution system of the area where you propose to sell your products.

Buyer specifications vary

One of our most frequent complaints results from the mishandling and lack of refrigeration of products, especially frozen items. Another area which causes many problems is the lack of a definite agreement as to the specifications, grade, and quality of product between buyer and seller. There is a need to acquaint foreign buyers with the variety of poultry products which are available and also the wide range in quality with appropriate pricing.

As for turkey and turkey products, you may even find it necessary to spend considerable time and effort acquainting your customer with turkey, its preparation, and also its advantages in the institutional trade.

Here is what our competition is doing to obtain this expanded market potential. Denmark has an Export Marketing Board which assists in the development of uniform export specifications and packaging and also develops promotion programs in major markets. France and the Netherlands also are very active in this type of export activity and provide serious competition, especially in the Common Market. However, as their production expands they, too, are looking to other markets to sell an ever increasing volume of poultry.

Industry-government partnership

To offset the kind of competition and governmental support provided by a number of our foreign competitors, the Foreign Agricultural Service is working jointly with the Institute of American Poultry Industries which administers the International Trade Development Board. The Board is financially supported and has representation from virtually all phases of the poultry industry—poultry producers, processors, equipment manufacturers, packaging suppliers, feed companies, brokers, distributors, retailers, hatcherymen, breeders, and export firms.

The ITDB working through the Institute, has a rather extensive program in several parts of the world. There are ITDB offices in Frankfurt, Rotterdam, Rome and Tokyo, with specialists in promotion, market research, and consumer and institutional groups.

Promotion through demonstration

In addition, the ITDB has trained chefs and professional demonstrators who are made available to consumer and institutional groups to demonstrate the preparation, cooking, and serving of our many U.S. poultry products. In order to capitalize on the great potential market in the northern and southern European area these poultry specialists develop promotion programs suited to local consumer and institutional requirements.

There is a definite advantage in the fact that the ITDB represents the entire U.S. poultry industry and promotes all types of U.S. poultry products. In some markets there are levies, quotas, or other limitations on specific products and the board has the opportunity to shift promotional emphasis to other poultry items which are permitted entry. Where there may be limitations in some markets for, let us say, whole broilers, it is still possible to promote poultry parts, turkeys, and canned chicken which are permitted access. By having a staff on the spot in Europe and Japan it is possible to get an immediate reaction to market needs and also counteract whatever steps our competitors take.

FAS also has agricultural attachés in some 60 foreign countries who help our poultry exporters to make trade contracts in their respective countries and provide information helpful in determining market potential.

This information is relayed continuously to our office in Washington and published in the form of circulars, which can be furnished to you on a regular basis. We also supply a list of poultry exporters to those interested in buying poultry products and notify the ITDB so the trade opportunity can be announced through its regular weekly letters.

Stronger promotional efforts needed

I want to emphasize the need for a concerted and unified effort to acquaint foreign customers with U.S. poultry products and to enable us to meet our foreign competition.

In the past, we have promoted all U.S. poultry, while our competition has spent an increasing amount of promotional funds to support national brand names. The ITDB has now developed a trade mark emblem so that we can identify poultry products from the United States and at the same time permit the promotion through "quality emblems."

This quality emblem export program was announced in recent months and details are available in an ITDB brochure entitled "Improved Export Selling." This should enable our industry to promote U.S. poultry better with a common quality emblem and at the same time enable the processor to identify his own brand names.

While there are certainly going to be many problems to face in the future, we feel that with aggressive and unified effort our business-government partnership will continue to expand the export sales of poultry products. Our success in obtaining our rightful share of the international market for poultry products depends in large measure upon the poultry industry's active interest and support of the poultry export program.

Adapted from a recent speech by NORMAN G. PAULHUS, Acting Director, *FAS Dairy and Poultry Division, before the poultry seminar, Delmarva Poultry Industry, at Salisbury, Md.*

The United Kingdom Increases Tobacco Duty

The British Government on April 6 increased the customs duty on all kinds of unmanufactured tobacco by the equivalent of US$1.40 per pound. The new rate on unmanufactured tobacco from non-Commonwealth countries (including the United States) and containing 10 percent or more moisture is $12.23 per pound, compared with the previous one of $10.83. The rate on similar tobacco from Commonwealth countries (including Canada, India, and Rhodesia) is $12.015.

The effect of this increase in duty will be reflected in cigarette retail prices. For plain untipped cigarettes, the price per pack of 20 now goes to the equivalent of 76 U.S. cents from the previous 69 cents; the price of regular-sized filter-tipped brands goes to 64 cents from 58.

Thailand Expands Its Tobacco Trade

Thailand's 1964 imports of unmanufactured tobacco totaled 10.5 million pounds—up 30 percent from the 8.1 million in 1963. The United States supplied all of the 1964 imports, except for 57,000 pounds from Greece. Imports in 1965 are likely to be a little larger than those for 1964.

Exports of leaf tobacco in 1964 rose sharply, by 50 percent to 12.6 million pounds from 8.3 million in 1963. Major destinations in 1964 were Japan, which purchased 6.2 million, and West Germany, 3.5 million. Other areas taking Thai leaf tobacco in 1964 included Belgium, the Netherlands, Malaysia, Switzerland, Hong Kong, and Norway. Practically all of the exports consisted of a low-grade flue-cured leaf.

Average export prices per pound for shipments to major destinations in 1964, in terms of U.S. equivalents, were Japan 32 cents, West Germany 28, Belgium 25, Malaysia 24, the Netherlands 24, Switzerland 30, Hong Kong 24, and Norway 33.

THAILAND'S EXPORTS OF UNMANUFACTURED TOBACCO

Destination	1962	1963	1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Japan	650	662	6,228
Germany, West	3,159	3,357	3,459
Belgium	--	758	892
Malaysia	157	566	506
Netherlands	509	1,058	463
Hong Kong	67	465	323
Switzerland	—	17	244
Norway	386	349	230
Others	866	1,105	216
Total	5,794	8,337	12,561

Austria's Cigarette Production Larger

Austria's output of cigarettes rose from 9,711 million pieces in 1963 to 9,978 million in 1964—a gain of 2.8 percent.

Last year "Smart Export," a medium priced filter-tipped brand retailing for the equivalent of about 34.6 U.S. cents per pack, accounted for 28 percent of total sales. "Austria 3," which sells for about 19.2 cents per pack, accounted for 22 percent.

In contrast with the rise in cigarette output, smaller quantities of most other tobacco products were manufactured in 1964. Production of cigars and cigarillos totaled 90 million pieces, compared with 101 million in 1963. Output of fine-cut tobacco for roll-your-own cigarettes dropped from 351,000 pounds in 1963 to 338,000, chewing tobacco from 76,000 to 74,000, and snuff from 22,000 to 18,000. Production of pipe tobacco, on the other hand, rose from 1,387,000 pounds to 1,434,000.

Greek Burley Production

Revised estimates place the 1964 crop of burley tobacco in Greece at 7.9 million pounds, from 3,650 acres. A preliminary estimate for 1965 places the area to be planted to burley at about 3,954 acres. Burley production has increased sharply since plantings were first made in 1960, at which time production totaled only 18,000 pounds, from 10 acres.

GREEK BURLEY PRODUCTION

Year	Area	Production	Yield per acre
	Acres	*1,000 Pounds*	*Pounds*
1960	10	18	1,719
1961	137	247	1,772
1962	634	1,206	1,874
1963	1,974	3,638	1,813
1964	3,657	7,937	2,138
1965[1]	3,954	---	---

[1] Preliminary forecast.

Colombia Has Record Tobacco Exports

Colombia's exports of unmanufactured tobacco in 1964 were at a record 36.3 million pounds—45 percent larger than the 25.1 million shipped out in 1963.

The United States (including Puerto Rico) took 18.7 million pounds of Colombia's tobacco exports last year—more than half the total. Other major markets (in order of importance) included West Germany 7 million pounds, Spain 2.3 million, France 2 million, the Netherlands 1.6 million, and Tunisia 1.2 million.

Average export prices per pound for Colombian exports to major destinations, in terms of U.S. equivalents, were the United States 28 cents, West Germany 25.2, Spain 20.0, France 20.9, and the Netherlands 27.2.

COLUMBIA'S EXPORTS OF UNMANUFACTURED TOBACCO

Destination	1962	1963	1964[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States[2]	6,823	8,818	18,662
Germany, West	6,218	4,031	7,048
Spain	1,119	2,859	2,266
France	2,959	5,827	2,033
Netherlands	734	1,202	1,576
Tunisia	299	391	1,182
Morocco	678	713	712
Belgium-Luxembourg	521	156	604
Uruguay	143	227	386
Germany, East	1,317	---	265
Switzerland	---	83	254
Algeria	615	123	234
United Kingdom	594	298	68
Others	385	335	1,022
Total	22,405	25,063	36,312

[1] Preliminary; subject to revision. [2] Includes Puerto Rico.

Japan Uses More U.S. Leaf

Factories of the Japan Monopoly Corporation used a total of 27 million pounds of U.S. tobacco in 1964, compared with 22.5 million in 1963 and 19.1 million in 1962.

Sales of domestic-made cigarettes in 1964 totaled 158.6 billion pieces—up 6.7 percent from the 148.7 billion sold in 1963. Sales of brands containing U.S. leaf tobacco rose from 51.9 billion pieces in 1963 to 63.6 billion last year. Of the 63.6 billion sold in 1964, Hi-Lite, a filter-tipped cigarette, accounted for 35.0 billion, and Peace, for 18.5 billion.

Sales of filter-tipped cigarettes continued to increase rapidly in 1964 and represented 24.8 percent of total sales for the year, compared with 17.3 percent in 1963.

SALES OF MAJOR BRANDS OF CIGARETTES BY JAPANESE TOBACCO MONOPOLY TO RETAIL SHOPS

Brand	1962	1963	1964
	Million pieces	*Million pieces*	*Million pieces*
Hi-Lite (filter-tipped)[1]	13,483	23,201	35,024
Peace[1]	19,229	19,937	18,467
Hope (filter-tipped)[1]	2,081	2,603	4,316
AAA[1]	2,912	2,866	2,430
Pearl[1]	1,930	1,910	1,880
Hikari[1]	1,045	1,024	738
Fuji[1]	294	310	376
Tokyo 64[1,2]	---	---	347
Shinsei	50,601	49,290	47,836
Ikoi	37,679	38,411	35,254
Golden Bat	5,793	5,409	4,948
Midori	3,909	3,548	3,096
Olympias[3]	--	218	113
Others	--	--	3,809
Total	138,956	148,727	158,634

[1] Contains U.S. tobacco. [2] Placed on sale September 1964. [3] Sales discontinued October 1964.
Japan Monopoly Corporation.

Dock Strike Limits February Tobacco Exports

The dock strike, which continued well into February at a number of ports, sharply reduced exports of unmanufactured tobacco during the month. Total February exports were only 7 million pounds valued at $5.9 million, compared with 36.3 million valued at $28.6 million in February 1964.

U. S. EXPORTS OF UNMANUFACTURED TOBACCO
(export weight)

Kind	February		January-February		Change from 1964
	1964	1965	1964	1965	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	31,110	4,032	59,735	7,876	—86.8
Burley	2,139	579	3,842	668	—82.6
Dark-fired Ky.-Tenn.	298	217	2,713	289	—89.3
Va. fire-cured[1]	403	155	1,076	207	—80.8
Maryland	717	385	1,832	420	—77.1
Green River	18	23	132	24	—81.8
One Sucker	3	---	24	---	---
Black Fat, etc.	115	5	361	52	—85.6
Cigar wrapper	279	183	519	255	—50.9
Cigar binder	84	63	785	308	—60.8
Cigar filler	---	25	32	58	+81.2
Other	1,141	1,358	2,157	2,852	+32.2
Total	36,307	7,025	73,208	13,009	—82.2
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	
Declared value	28.6	5.9	57.5	9.2	—84.0

[1] Includes sun-cured. Bureau of the Census.

The value of tobacco product exports also was down from $8.4 million to $6.5 million.

During July 1964 - February 1965, exports of unmanufactured tobacco totaled 321.6 million pounds—down about 20 percent from the 403.5 million shipped out in the first 8 months of fiscal 1964.

U. S. EXPORTS OF TOBACCO PRODUCTS

Product	February		January-February		Change from 1964
	1964	1965	1964	1965	
					Percent
Cigars and cheroots *1,000 pieces*	3,111	2,513	5,307	3,822	—28.0
Cigarettes *Million pieces*	1,702	1,329	3,545	2,047	—42.3
Chewing and snuff *1,000 pounds*	15	5	68	6	—91.2
Smoking tobacco in pkgs. *1,000 pounds*	87	40	146	48	—67.1
Smoking tobacco in bulk *1,000 pounds*	379	351	1,173	470	—59.9
Total declared value *Million dollars*	8.4	6.5	17.6	9.9	—43.8

Bureau of the Census.

Mexican Strawberry Production Continues Upward

Mexico's commercial production of strawberries in 1965 is forecast at 90 million pounds compared with 75 million last year.

Acreage this year is 25 percent above that of last year. Frosts in January followed by cloudy cool weather in February delayed maturity of the berries by some 10 days to 2 weeks. However, a good set of berries appeared in early March. This delay in starting to harvest the berries makes them more vulnerable to an early beginning of the rainy season.

Berries frozen for export would amount to about 55 million pounds compared with 45 million last year, if the above forecast materializes. U.S. imports under these conditions would amount to about 50 million pounds. (This could easily vary 5 million pounds either way depending on the final outturn of the crop.)

Census data shows that U.S. imports of frozen berries during January and February totaled 5.9 million pounds, and preliminary reports on imports for March show 10.6 million. This makes a 3-month total of 16.5 million pounds compared with 15.4 million during the first 3 months of 1964.

U.S. imports of fresh Mexican berries in 1964-65 are expected to total about 5 million pounds, which would be 25 percent above last season.

Two new strawberry freezing plants were constructed during the past year at Irapuato, bringing the number of operating freezers to 14. An additional freezer is being built in Zamora, according to trade reports.

Mozambique Again World's Leading Cashew Producer

Mozambique's 1964 cashew crop (harvested in late 1963 and early 1964) is estimated at 160,000 short tons of raw nuts—the largest crop on record for any country. The crop was 70 percent above the 1958-62 average but only slightly larger than the 1963 production, which is now estimated at 150,000 tons.

There is no firm estimate available for the 1965 crop, most of which is already harvested. However, indications are that it will be somewhat smaller but of better quality than the 1964 crop, which was heavily damaged by rain.

Of the 1964 crop, an estimated 134,000 tons were exported raw. India, as usual, took almost all of the exports. The remaining 26,000 tons were shelled domestically.

Domestic processing, which has been growing gradually, is expected to nearly double in 1965, as the result of a new mechanized plant (*Foreign Agriculture*, November 30, 1964). Most of the cashew kernels are exported to the United States, with West Germany and South Africa also taking moderate quantities. Although kernel exports have grown rapidly, they are still only of minor importance in relation to the raw nut trade.

MOZAMBIQUE'S ESTIMATED PRODUCTION AND UTILIZATION OF CASHEWS

Calendar year	Raw nuts			Kernel exports
	Production	Exports	Domestic processing	
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*Short tons*
1958	112	106	6	1,354
1959	76	68	8	1,246
1960	73	62	11	1,494
1961	107	93	14	1,166
1962	104	89	15	2,094
1963	150	131	19	2,960
1964 (preliminary)	160	134	26	3,800

Norway's Exports of Butter and Cheese

Norway's 1964 exports of butter were 14 million pounds, 6 million pounds above those in 1963 and the highest in several years. This increase reflected the favorable export prices for butter during 1964.

The United Kingdom continued to be the most important market for butter, taking 48 percent of total exports. There was an appreciable increase in trade with Switzerland, from 1 million pounds to more than 3 million, but sales to West Germany were down from 2 million pounds to 895,000. Countries not purchasers in 1963 but which made purchases in 1964 were East Germany, 906,000 pounds, and the United States, 68,000.

Exports of cheese, at 27 million pounds, were 3 million pounds less than a year ago. Most of this decrease occurred in shipments to markets in Western Europe, which took only 68 percent of total cheese exports in 1964, compared with 77 percent in 1963. Sales to West Germany and Italy, 5 million pounds and 3 million, respectively, were little more than half the levels for the year before.

The United Kingdom remained by far the most important outlet for Norwegian cheese during 1964, with the purchase of 9 million pounds—1 million more than in 1963. Sales to Japan, second largest market, were up 59 percent to 5 million pounds. Shipments to the United States, at approximately 1 million pounds, were slightly above those of the preceding year.

Syria Harvests Record Cotton Crop

The 1964-65 cotton crop in Syria is now estimated at a record 775,000 bales (480 lb. net). This is 11 percent larger than the 700,000-bale crop last season and one-third larger than annual average production of 584,000 in the past five seasons.

This season's larger crop may be attributed to the removal of unsuitable land from production and higher yields resulting from better production practices and improved seed varieties. Area devoted to the 1964-65 crop is now estimated at 710,000 acres, 77 percent of which was grown under irrigation. This is 11,000 acres less than area devoted to the 1963-64 crop.

Exports of 496,000 bales of cotton from Syria during the first 7 months (August-February) of the current season were 29 percent above the 384,000 bales shipped in the same months of 1963-64. Quantities exported to principal destinations from August 1964 through February 1965, in 1,000 bales, (comparable 1963-64 figures in parentheses) were Mainland China 147 (148), the USSR 64 (55), France 55 (35), West Germany 29 (4), Rumania 27 (31), Poland 25 (25), Hungary 25 (3), Italy 24 (7), Lebanon 19 (15), Bulgaria 15 (1), the Netherlands 13 (6), Czechoslovakia 11 (9), the United Kingdom 8 (3), Portugal 7 (2), Switzerland 6 (3), Greece 5 (0), and India 5 (1).

Takings by Communist countries increased during the period under review to 319,000 bales, 8 percent above the 296,000 bales taken in the same 1963-64 period. However, as a percentage of total exports, Communist takings thus far are only 64 percent, compared with 77 percent in August-February 1963-64.

Because of the heavy shipments thus far from a larger available supply, total Syrian exports this season may exceed by 10 percent the 608,000 bales shipped in 1963-64.

Prices of Syrian cotton this season have been slightly below those for competitive growths on world import markets, mainly because of the larger exportable surplus. The larger crop made it necessary for Syria to enter the West European market more heavily to move the larger supply.

Argentine Cotton Crop Up Sharply

The 1964-65 cotton crop in Argentina, now being harvested, is estimated at 550,000 bales (480 lb. net), 29 percent above last season's crop of 450,000 bales and 8 percent above annual average production of 507,000 bales during the past five seasons.

Very favorable growing conditions permitted higher yields on a 5-percent greater planted area this season than last. Harvested area is estimated at 1,400,000 acres, compared with 1,304,000 a year ago and a 5-year (1959-63) average of 1,221,000. Around 70 percent of Argentina's cotton is produced in the Chaco Province, with most of the remainder grown in Formosa, Sante Fe, and Santiago del Estero.

Exports during the first 5 months (August-December) were about 1,000 bales, compared with 75,000 in the same months of 1963-64. The sharp decrease in exports to date is attributed to the severe decline in last year's production, a sharp rise in domestic mill requirements, and unusually high domestic prices in relation to world prices. If the new crop is as large as predicted, the steady rise in prices of Argentine cotton over the last year may begin to moderate.

Since all domestically produced cotton is upland type, longer staple cotton is imported for the manufacture of fine yarns. During August-February 1964-65, 41,000 bales of cotton were imported, mostly from Peru, compared with 17,000 in the same months of 1963-64.

Mill activity is expected to continue at the current high level for the next several months. Cotton consumption, estimated at 268,000 bales in the first 7 months (August-February) of the current season, was 7 percent above the 251,000 used in the same 1963-64 period. If this rate continues, total consumption in 1964-65 is expected to reach 480,000 bales, compared with 460,000 in 1963-64 and 350,000 in 1962-63.

Stocks on hand at the end of July will be substantially above beginning stocks of 480,000 bales if the current export situation does not improve. This would be a mid-season stock estimate for Argentina, where harvest begins late in February.

Spanish Imports of Oilseeds, Oils, Cakes and Meals

Spain's imports of edible oils, including the oil equivalent of oilseed imports, in November-September 1963-64 were sharply below those in the comparable period of 1962-63, reflecting the large domestic olive oil outturn of 1963-64.

However, imports of soybeans, as such, gained markedly and will likely continue to expand as a source of edible oil in Spain. Three new crushing plants are expected to begin operations in 1964-65; and soybean imports during the current marketing year are estimated at about 100,000 metric tons, sharply above those in 1963-64.

In 1964-65, Spanish imports of edible vegetable oils are expected to rise sharply. The gain will come as a result of this year's small olive oil outturn and the Spanish Government's policy of keeping edible oil prices reasonable by offering the public a low-priced seed oil when olive oil is in short supply.

Spanish imports of cakes and meals, including the meal equivalent of soybeans, on a protein-equivalent basis, declined in 1963-64, despite increased imports of oilseeds as such. The decline reflected a cutback in poultry production because of low prices in the spring of 1964.

In Spain the poultry industry consumes about 70 percent of the mixed feed industry's output. Since poultry prices have recovered and more birds reportedly will be on feed in 1964-65, requirements are expected to rise. Imports of fishmeal, because of the sharply reduced import duty, could recover in 1964-65.

SPAIN'S IMPORTS OF SELECTED OILSEEDS, VEGETABLE OILS, CAKES AND MEALS

Item	1962-63 [1]	November-September 1962-63	November-September 1963-64
	Metric tons	*Metric tons*	*Metric tons*
Oilseeds:			
Peanuts	29,875	27,436	16,985
Soybeans	12,046	12,046	50,854
Total	41,921	39,482	67,839
Edible oils:			
Peanut	121,274	110,751	18,312
Soybean	187,873	187,873	1,656
Sunflower	49,690	41,295	---
Total	358,837	339,919	19,968
Cakes and meals:			
Cottonseed	102	100	1,100
Meat	33,136	27,934	12,776
Fish	70,358	62,501	44,791
Other [2]	198,923	198,139	161,235
Total	302,519	288,674	219,902

[1] Year beginning November 1. [2] Largely soybean cake and meal from the United States.
Spanish Customs Data.

Liberia's Palm Kernel Exports

Palm kernel exports by the Produce Marketing Corporation of Liberia totaled a preliminary 6,876 metric tons in 1964 compared with a preliminary 6,585 in 1963. These tonnages represent the bulk of palm kernel shipments from Liberia. West Germany, the Netherlands, and Denmark were the major destinations.

Palm kernel exports have declined in recent years. Average annual exports in the 1955-59 period were 12,130 tons, with a peak of 19,324 in 1959. Largely responsible for the decline in output were low prices (or their equivalent in merchandise) offered native harvesters and the competitive calls on labor for wage employment in Monrovia and other areas.

Little development has taken place in the oil palm industry. Virtually the entire harvest of palm kernels is from natural unimproved stands of oil palm existing throughout the country. It has been estimated that two-thirds of the kernels were harvested after the palm fruit had ripened and fallen to the ground—a much easier and quicker means of obtaining money and/or goods for the native given the economic incentive.

The function of the Produce Marketing Corporation, through its Marketing Board, which began operations in 1962, is to purchase, grade, and export palm produce (among other commodities). Its objective is to provide a stable and fair price to producers as an incentive to produce more and to control the standard and quality of produce exported.

India's Rapeseed and Mustardseed Acreage

According to the first official estimate, India's 1964-65 plantings of rapeseed and mustardseed are placed at 3,362,000 acres, or 6.1 percent above the corresponding adjusted estimate of 3,170,000 acres seeded last year. The first estimate has, in the past, represented only about two-fifths of the total seeded area. Total seedings of rapeseed and mustardseed in 1964 amounted to 7,424,000 acres.

The increased seedings occurred largely in the Orissa, Rajasthan, Madhya Pradesh, and Punjab Districts, reflecting generally favorable weather conditions during the planting season. The condition of the crop was reported to be satisfactory except in the Uttar Pradesh District, where the crop was set back by dry weather.

Drop Seen in French Flax Output in 1965

France's 1965 production of flax fiber is expected to drop by over 20 percent to around 55,100 metric tons (2,204.6 lb. each) from 70,781 in 1964. Because of over production in 1964 coupled with declining prices, farmers are expected to reduce acreage sharply in 1965, thus complying with a request made by the International Association of Flax Producers to hold production more in line with demand.

There is much intertrading of flax straw and fiber among the main West European producing countries of France, Belgium, and the Netherlands. Exports of raw or retted flax straw from France in 1964 totaled 83,346 tons and went mainly to Belgium. Exports of scutched fiber, 16,887 tons, and tow and waste, 25,658, went mainly to Belgium and other West European countries, with some 1,567 tons of tow and waste going to the United States.

French imports of scutched fiber, tow, and waste, mainly from Belgium, in 1964 totaled 19,134 tons—well below the 27,423 tons imported in 1963.

Prices received by growers for the 1964 flax crop have dropped sharply since June 1964. Those for scutched fiber fell from 28 cents per pound for dew retted and 33 cents for tank retted to around 23 cents for both types in September. Prices remained at this level through mid-February 1965.

Canada's Exports of Fishmeal and Oil

Canadian exports of fishmeal, largely herring, rose 12 percent to 62,490 short tons. Fish oil exports, including fish liver oil, increased by over 2½ times the 1963 volume.

CANADIAN EXPORTS OF FISHMEAL AND OIL

Item	1963[1]	1964[1]
	Short tons	*Short tons*
Fishmeal:		
Herring	45,150	50,498
Other	10,404	11,992
Total	55,554	62,490
Fish oils:		
Cod liver[2]	5,233	3,482
Herring, industrial	474	11,646
Total	5,707	15,128

[1] Preliminary. [2] Sun-rotted.
Monthly Review of Canadian Fisheries Statistics, January 1965.

Trade in Copra and Coconut Oil by Malay States, Singapore

The Malay States, and Singapore were net importers of copra and coconut oil, on an oil-equivalent basis, in January. Net imports totaled 561 long tons compared with net exports of 390 in January 1964.

Imports of copra in January totaled 2,226 tons against 1,210 in January 1964, while exports of copra declined to 30 tons from 286. Exports of coconut oil increased to 1,460 tons from 1,073, and imports, to 616 from 92.

Spanish Olive Oil Exports

Olive oil exports from Spain during November 1, 1964, through February 28, 1965, amounted to 14,200 metric tons or about the same as in the comparable period of the previous "off-year" 1962-63. However, this was sharply below the 50,200 tons exported in the corresponding period of 1963-64.

Tunisia Exports More Olive Oil

Tunisian edible olive oil exports from November 1, 1964 to March 14, 1965, totaled 28,245 metric tons compared with 16,169 and 16,463 tons in the same periods of 1963-64 and 1962-63, respectively. France and Italy continue to be the major markets.

U.S. Exports of Soybeans, Edible Oils, Cakes, Meals

U.S. *soybean* exports in February, at 11.3 million bushels, began to regain momentum from the drastically low volume of only 2.9 million in January. However, exports in the cumulative period (October-February) were slightly below the record for those months set in 1963-64. The fact that exports failed to maintain the pace of a year ago, of course, resulted from the dock strike which became effective on January 11.

Edible oil exports in February totaled 120.9 million pounds, somewhat below the 138.5 million exported in January. Despite this decline, exports in the 5-month cumulative period through February were up by more than one-half from the same period of 1963-64. This gain reflects mainly a marked rise in shipments of soybean oil to Spain and Pakistan, larger cottonseed oil exports to West Germany, and a larger volume of foreign donations.

February *cake and meal* exports, at 165,900 short tons, rebounded from the strike-impaired level of 49,100 tons exported in the previous month. France is indicated as having regained its status as the major market for U.S. exports of soybean meal. Aggregate exports of U.S. cake and meal in the cumulative period of 1964-65 were more than 50 percent above those in the corresponding period of a year earlier. The increase largely reflects heavier movements for the expanding poultry and livestock needs in Western Europe.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILSEED CAKES AND MEALS

Item and country of destination	February		October-February	
	1964[1]	1965[1]	1963-64[1]	1964-65[1]
SOYBEANS				
Japan ---mil. bu.	4.7	3.9	24.3	20.2
Canada ---do.	.1	(2)	11.1	15.1
Netherlands ---do.	2.5	.8	12.3	13.3
Germany, West ---do.	3.6	1.5	14.0	10.9
Denmark ---do.	.5	---	7.0	5.9
Others ---do.	4.8	5.1	27.4	30.0
Total ---do.	16.2	11.3	96.1	95.4
Oil equiv. ---mil. bu.	177.6	124.4	1,055.3	1,048.0
Meal equiv. ---1,000 tons	380.2	266.2	2,258.7	2,243.0
EDIBLE OILS				
Soybean:[3]				
Spain ---mil. lb.	---	---	---	142.2
Pakistan ---do.	---	---	26.5	74.7
Argentina ---do.	---	---	(4)	40.1
Turkey ---do.	2.2	---	44.4	33.8
Greece ---do.	---	3.3	---	31.3
Iran ---do.	2.9	2.2	21.9	29.1
Chile ---do.	.2	1.9	10.1	20.0
Hong Kong ---do.	7.4	2.2	25.0	19.1
Israel ---do.	1.1	---	5.7	16.8
Others ---do.	60.9	63.1	210.3	119.6
Total ---do.	74.7	72.7	343.9	526.7
Foreign donations[5] ---do.	---	---	[6].1	[6][7].9
Total soybean oil ---do.	74.7	72.7	344.0	527.6
Cottonseed:[3]				
Germany, West ---do.	6.8	20.4	49.7	93.1
U.A.R. ---do.	5.2	---	5.2	25.0
Iran ---do.	5.7	8.5	12.5	24.5
Netherlands ---do.	10.3	5.9	36.8	21.4
Canada ---do.	3.2	2.1	19.8	19.2
Morocco ---do.	---	---	6.6	11.0
Turkey ---do.	8.3	---	33.1	8.0
Others ---do.	9.2	6.1	35.3	52.0
Total ---do.	48.7	43.0	199.0	254.2
Foreign donations[5] ---do.	[6].3	5.2	[6].5	[6][7]54.8
Total cottonseed oils ---do.	49.0	48.2	199.5	309.0
Total oils ---do.	123.7	120.9	543.5	836.6
CAKES AND MEALS				
Soybean:				
France ---1,000 tons	6.9	27.6	103.8	130.2
Germany, West ---do.	5.1	15.4	40.0	127.3
Netherlands ---do.	6.9	21.0	49.7	121.6
Canada ---do.	12.2	13.2	80.4	106.7
Belgium ---do.	4.2	16.8	41.9	75.8
Yugoslavia ---do.	9.3	17.9	21.4	73.1
Denmark ---do.	2.3	12.2	41.1	52.6
Italy ---do.	8.1	12.7	41.1	44.5
Spain ---do.	37.1	8.4	83.6	33.3
Others ---do.	21.6	17.4	78.2	81.8
Total ---do.	113.7	162.6	581.2	846.9
Cottonseed ---do.	.4	.5	24.6	63.1
Linseed ---do.	.1	2.4	15.9	26.5
Total cakes & meals[8] ---do.	114.2	165.5	621.7	936.5

[1] Preliminary. [2] Less than 50,000 bushels. [3] Includes Title I, II, III, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II. Excluded estimates of Title II exports of soybean and cottonseed oil not reported by Census. [4] Less than 50,000 pounds. [5] Title III, P.L. 480. [6] Estimated by USDA, includes salad oil and oil in shortening. [7] October-December estimated by USDA. [8] Includes peanut cake and meal and small quantities of other cakes and meals.
Compiled from Census and USDA records.
NOTE: Countries indicated are ranked according to quantities taken in the current marketing year.

U.S. Tung Oil Imports Rise

U.S. tung oil imports totaled 9.8 million pounds in the November-February period of 1964-65—more than one-sixth above the 8.3 million imported in the corresponding months of 1963-64.

Imports from Argentina, accounting for three-fourths of the total, gained sharply, while those from Paraguay declined. Aggregate imports through February of the current marketing year included 1.75 million pounds in January, all from Argentina, and 2.68 million in February, 1.97 million of which was from Argentina. Prices have recently strengthened, reflecting freeze damage this March to the 1965 U.S. nut crop.

U.S. IMPORTS OF TUNG OIL

Country	Nov.-Oct.			Nov.-Feb.	
	1961-62	1962-63	1963-64	1963-64	1964-65
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
Argentina	16.4	13.4	16.8	4.5	7.3
Brazil	.7	1.6	1.3	.3	---
Paraguay	---	5.1	11.0	3.5	2.4
Malawi	---	.1	.4	---	.1
Others	---	.1	---	---	---
Total	17.1	20.3	29.5	8.3	9.8

U.S. Bureau of Census.

Tung Oil Shipments From Buenos Aires

During August-February 1964-65, shipments of tung oil from Buenos Aires were 14,558 short tons—11 percent below those in the same period of 1963-64. This drop reflected sharply reduced movements from Paraguay.

Shipments to the United States in February, which were substantially above those of a year earlier, were sharply below those in January. Exports to other countries also fell and included 661 tons from Argentina to USSR.

TUNG OIL SHIPMENTS FROM BUENOS AIRES[1]

Origin and destination	January[2]	February[2]		Aug.-Feb.[2]	
	1965	1964	1965	1963-64	1964-65
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Argentina:					
To U.S.	957	97	357	1,955	6,099
To other countries[3]	1,496	904	1,054	9,161	5,576
Total	2,453	1,001	1,411	11,116	11,675
Paraguay:					
To U.S.	---	200	211	3,059	2,035
To other countries[3]	278	216	357	2,118	848
Total	278	416	568	5,177	2,883
Total:					
To U.S.	957	297	568	5,014	8,134
To other countries[3]	1,774	1,120	1,411	11,279	6,424
Grand total	2,731	1,417	1,979	16,293	14,558

[1] Presumed to represent virtually all of the tung oil exported from Argentina and Paraguay. [2] Preliminary. [3] Largely to West European countries.

Compiled from shipment data, *Boletin Maritimo*, Buenos Aires.

West German Imports of Soybeans Hit New Record

West German imports of soybeans during 1964 rose to a new high of 1.4 million metric tons—29 percent above those of 1963 and more than the 1955-59 average.

Sharing in this growth was the United States, which supplied West Germany with a record 1,355,755 tons, valued at $146 million, and accounted for 96 percent of the German market against 83 percent in 1955-59. On the basis of import data, West Germany thus became the principal purchaser of U.S. beans in 1964, surpassing the 1,322,370 purchased by Japan (*Foreign Agriculture*, March 8). Imports of Chinese beans also increased sharply, by 64 percent to 17,400 tons.

Soybeans are by far the major oilseed imported by West Germany, accounting for over two-thirds of all oilseeds imported in 1963 and 1964.

WEST GERMANY'S SOYBEAN IMPORTS

Country of origin	Average 1955-59	1963	1964
	Metric tons	*Metric tons*	*Metric tons*
United States	522,979	1,046,917	1,355,755
Canada	1,961	2,659	2,293
Brazil	3,989	7,069	298
China, Mainland	95,884	27,243	44,597
Others	2,098	2,297	1,670
Total	626,911	1,086,185	1,404,613

Compiled from official sources.

Spain Extends Import Duty Suspension on Soybeans

According to Decree 626/1965 published in the Spanish Official Bulletin on March 27, 1965, duties on tariff item 12.01-B-3 (soybeans for crushing), which were previously suspended (*Foreign Agriculture*, Feb. 22, 1965), have now been suspended through July 5, 1965.

British Honduras Increases Sugar Output

Sugar production in British Honduras totaled 38,000 short tons in 1963-64, an increase of more than 20 percent from 1962-63. The 1964-65 sugar-grinding season began about mid-January and is expected to be completed by late July or early August. A total of 15,600 acres of sugarcane will probably be harvested this year, and production is expected to amount to 43,000 tons. Further increases are expected in 1966.

Domestic sugar consumption is around 3,500 long tons (3,920 short tons) per year; leaving a sizable exportable surplus. In 1964, British Honduras exported 30,591 long tons (34,262 short tons) of sugar. Most of it went to the United Kingdom and Canada to fill the Commonwealth quota of 25,000 long tons.

Land-clearing operations for sugarcane production is going forward at a rapid pace. The government recently negotiated a loan of nearly US$430,000 for the Cane Farmers Association. These loans are limited to about $700 per individual and the interest rate is 6 percent per year. The construction of a new sugar factory began in March this year and is expected to begin operation in January 1967. It is estimated that a total of 30,000 acres of sugarcane will need to be harvested in 1967 to supply the new mill and the existing mill.

France's Hemp Production Up

France's 1964 production of true hemp fiber for spinning is estimated at 1,150 metric tons (2,205 lb. each), an increase of 8 percent over 1963.

Total hemp imports in 1964 came to 2,285 tons, or substantially below the 3,110 tons in 1963. Italy was the main source, supplying 1,150 tons, followed by West Germany and Yugoslavia.

Exports of hemp in 1964 totaled 550 tons, compared with 305 in 1963; they were shipped mostly to Benelux countries and West Germany.

Canadian Cigarette Output and Sales Up

Canadian output of cigarettes during 1964 rose somewhat, to 40,052 million pieces from 39,672 million in 1963, while that of cigars climbed to 506 million pieces from 392 million. Output of snuff, at 864,000 pounds, was also up slightly from the 1963 level of 838,000 pounds. However, production of cut tobacco dropped to 18.7 million pounds from 20.0 million in 1963, and the combined output of plug and twist tobacco also declined, to 1.0 million pounds from 1.3 million.

Cigarette sales continued to rise through 1964, reaching 40,639 million pieces compared with 39,877 million in 1963. Cigar sales totaled a record 491 million pieces and were 27 percent larger than the 386 million sold in 1963. Sales of the other tobacco products followed the same trends as indicated by output for these products during 1964.

WORLD CROPS AND MARKETS